SaskTel's Sask911 Annual Report

(Fiscal year April 1/00 – March 31/01)

The Emergency 911 System Act was proclaimed in 1996 and provided the legislative authority for development and implementation of Enhanced 9-1-1 (E911) call-taking service province-wide. The Sask911 system utilizes SaskTel's Provincial E911 Service infrastructure, and customer billing systems for 9-1-1 call routing and billing. Once completed, the Sask911 system will ensure that, wherever telephone land lines exist in the province and by dialing 9-1-1, people will be able to access a trained emergency call-taking operator who has electronic access to automatic number, name and location information.

Planning and implementation of the Sask911 System continued in 2000-2001 in collaboration with the four Sask911 Public Safety Answering Points (PSAPs), municipalities, health districts, local emergency service providers, and the Departments of Municipal Affairs and Housing, and Health.

Attached is SaskTel's financial statement showing the revenues of and expenditures from the Sask911 account for the fiscal year from April 1, 2000 to March 31, 2001.

SaskTel's Goals to move Sask911 forward

- along with the Department of Municipal Affairs and Housing (MAH), continue to facilitate the Sask911 process with the other stakeholders;
- continue to administrate the Sask911 Account;
- continue to resolve customer billing issues to accommodate Sask911 fees on the phone bill;
- continue to expand SaskTel's Provincial E911 Service coverage into the unserved areas;

SaskTel's Accomplishments

During 2000-2001:

- along with MAH, co-chaired the Sask911 Advisory Committee Meetings, helped facilitate Sask911 Implementation meetings, and provided input and advice to the province for Sask911 initiative;
- migrated an additional 70 rural/urban municipalities including Moose Jaw onto SaskTel's Provincial 911 Service infrastructure in May 2000, and implemented Sask911 fees for this area in August 2000 ;

- initiated discussions with the South Saskatchewan 911 Region for implementation of the Phase 3 expansion to their Sask911 coverage area (includes Estevan and Weyburn).

- due to the closure of the South Saskatchewan Region's Sask911 PSAP, re-routed all their 911 calls to the Sask911 PSAP in Prince Albert in February 2001.

SaskTel's Future Direction

In 2001, 2002, 2003:

- along with MAH, continue to facilitate the Sask911 process with the other stakeholders;

- continue to implement the expansion of Provincial E911 service in collaboration with the PSAPs to areas of the province that do not have access to E9-1-1 service.

- continue to commit the resources for the ongoing support and maintenance of the Provincial E911 service infrastructure.

Financial Statements of

SASK911 ACCOUNT

for the year ended March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Royal Bank Building
2010 - 11th Avenue
Suite 900
Regina Saskatchewan
Canada S4P 0J3
Telephone +1 (306) 790 7900
Facsimile +1 (306) 790 7990

April 19, 2001

Auditors' Report

To the Directors of the Sask 911 Account

We have audited the statement of financial position of the Sask 911 Account as at March 31, 2001 and the statement of operations and net assets for the year then ended. These financial statements are the responsibility of the account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the account as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

Sask911 Account

Statement of Operations and Net Assets
For the year ended March 31

	2001	2000
Revenues		
Net Sask911 Account fees (Note 4)	$ 1,479,288	$ 618,071
Interest income	26,950	5,953
	1,506,238	624,024
Expenses		
Public safety answering points	891,300	201,276
Central co-ordination	102,271	-
Start-up communications	294,182	-
	1,287,753	201,276
Excess of revenues over expenses	218,485	422,748
NET ASSETS, BEGINNING OF YEAR	464,897	42,149
NET ASSETS, END OF YEAR	$ 683,382	$ 464,897

See accompanying notes.

Sask911 Account

Statement of Financial Position
As at March 31

	2001	2000
ASSETS		
Current Assets		
Cash (Note 5)	$ 680,453	$ 458,068
Receivable from Saskatchewan Telecommunications	-	5,388
Interest receivable	2,929	1,441
	$ 683,382	$ 464,897
NET ASSETS	$ 683,382	$ 464,897
	$ 683,382	$ 464,897

See accompanying notes.

On behalf of SaskTel

Officer

Officer

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2001

1. STATUS OF THE SASK911 ACCOUNT

The Emergency 911 System Act (Chapter E – 7.3 of the Statutes of Saskatchewan) ("the Act") provides for the development, implementation and operation of an Emergency 911 system in the Province, known as The Sask911 System.

Section 45.1 of *The Saskatchewan Telecommunications Act* ("the SaskTel Act") established the Sask911 Account ("the Account"). Effective January 1, 1999 *The Sask911 Fees Regulations* (Chapter S - 34 Reg 3 as amended by Saskatchewan Regulations 39/1999) requires all telecommunication operators providing local telephone services in certain municipalities in Saskatchewan to bill their connected customers prescribed Sask911 fees and to remit these fees to Saskatchewan Telecommunications ("SaskTel") for deposit into the Account. SaskTel manages the Account.

Section 7 of the Act provides that the Minister responsible may direct SaskTel to make payments out of the Account for the purposes of implementing the Act or exercising any of the Minister's powers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using generally accepted accounting principles.

3. SCOPE OF FINANCIAL STATEMENTS

In addition to its role in collecting the Sask911 fees referred to in Note 1, pursuant to 9(1)(d.1) of the SaskTel Act, SaskTel is entitled to recover its cost of installing and maintaining the equipment and facilities required to place emergency 911 calls in the Province of Saskatchewan. Fees charged by SaskTel in respect of its telecommunications cost are not reflected in these financial statements but rather as revenue in the financial statements of SaskTel.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2001

4. SASK911 FEES

A portion of the Sask911 fee is retained by SaskTel to cover its cost of billing and account management. The Sask911 fees were deposited into the Account as follows:

Sask911 fees billed	2001	2000
Residential	$ 1,323,415	$571,832
Business/Centrex	185,014	76,146
Multiline/PBX	267,391	94,863
	1,775,820	742,841
LESS: SaskTel billing and account management fee	296,532	124,770
	$ 1,479,288	$618,071

5. DESIGNATED ASSETS

The Account contains designated assets to be used for the following funding purposes, under the direction of the Minister:

Designated assets	2001	2000
Public safety answering points	$241,705	$210,509
Central coordination	80,212	55,873
Start-up communications	277,605	176,729
Standards and training	50,814	15,689
	$650,336	$458,800

Cash includes interest of $30,117 (2000 - $4,656) received by the Sask911Account, which is not included in the amounts designated above.

Net assets of $683,382, including cash of $680,453 and interest receivable of $2,929, remain in the Sask911 account as of March 31, 2001 due to the timing of disbursements. Payments to the public safety answering points are made after each quarter-end. The remainder of the designated assets will be disbursed subsequent to March 31, 2001 as directed by Municipal Affairs, Culture and Housing.

SASK911 ACCOUNT
Notes to Financial Statements
March 31, 2001

6. STATEMENT OF CHANGES OF FINANCIAL POSITION

A statement of cash flows has not been provided as it does not directly provide additional meaningful information.

7. RELATED PARTY TRANSACTIONS

These financial statements include transactions with Saskatchewan Telecommunications, and is considered a related party by virtue of common control by the Government of Saskatchewan.

SaskTel provides Sask911 with billing and account management services which are settled at prevailing market prices under normal trade terms. The amounts paid during the year for this service are detailed in note 4.

In addition, Sask911 pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.